Procedure for Capital Investm

† *131. SHRI RAMA SHANK PROF.
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Will the Minister of F1NANC

(a) whether Government hav
capital investment in the country by toreign institutional investors;

(b) if so, the details thereof;

(c) what are the names of such foreign investors and whether such investors make full payment of taxes to Government-

(d) whether it is a fact that the companies operating from Mauritius are evading tax on large scale in the name of DTAA and threatening Government of legal action; and

(e) if so, what is Government's decision on preventing tax evasion by the companies operating from Mauritius and taking action against them?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA); (a) and (b) The Foreign Institutional Investors (FUs) rgistered with the Securities and Exchange Board of India (SEBI) are permitted to invest in **India** subject to the regulatory purview of SEBI under the (Foreign Institutional Investors) Regulations, 1995.

(c) As on 50-06*2000, 526 FIIs were registered with SEBl. The names of these FIIs are available for public information at the SEBl Website (www.sebi.gov.in). The FIIs are required to pay tax on the income earned in India in accorancc with the Income Tax Act, 1961 and the provisions of Double Taxation Avoidance Agreement (DTAA) with the country of which FII is a resident.

(d) and (e) Companies resident in Mauritius and invest?^; tr India are not taxable in India in regard to Capital gains on sale of shares of Indian companies under Double Taxation Avoidance Convention **(DTAC)** between India and Mauritius of 1983. Benefits available under treaty provision do not amount to evasion or nonpayment of tax resulting in loss of revenue.

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† Original notice of the question was received in Hindi.